

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re

FRANCHISE GROUP, INC., *et al.*,<sup>1</sup>

Debtors.

## Chapter 11

Case No. 24-12480 (LSS)

## Jointly Administered

**Objections Due: August 6, 2025 at 4:00 P.M. (ET)**

**Hearing Date: September 10, 2025 at 10:00 A.M. (ET)**

**SECOND INTERIM AND FINAL APPLICATION FOR  
COMPENSATION AND REIMBURSEMENT OF EXPENSES OF  
PACHULSKI STANG ZIEHL & JONES LLP, AS COUNSEL  
FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR  
THE PERIOD FROM NOVEMBER 21, 2024 THROUGH JUNE 30, 2025**

Name of Applicant:	Pachulski Stang Ziehl & Jones LLP
Authorized to Provide Professional Services to:	The Official Committee of Unsecured Creditors
Date of Retention:	Effective as of November 21, 2024 by Order signed January 28, 2025 [Docket No. 854]
Period for which Compensation and Reimbursement is Sought:	November 21, 2024 – June 30, 2025 <sup>2</sup>
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$5,058,739.50 <sup>3</sup>

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors' headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

<sup>2</sup> Applicant reserves the right to include any time expended in the time period indicated above in future application(s) if it is not included herein.

<sup>3</sup> Any time or expenses incurred after June 6, 2025 relates to preparation of this Final Fee Application or those of the Committee's professionals and plan implementation. The amount requested also includes an estimated amount of \$20,000 for additional time and expenses incurred in connection with final fee applications after June 30, 2025. This amount also includes a reduction in fees pursuant to the Fee Examiner in the amount of \$26,000.

Name of Applicant:	Pachulski Stang Ziehl & Jones LLP
Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$68,735.55 <sup>4</sup>
Rates are Higher than those Approved or Disclosed at Retention? Yes ___ No <u>X</u> If yes, Total Compensation Sought Using Rates Disclosed in Retention Application:	As is customary, pursuant to its internal operating procedures, PSZJ revisits, and potentially adjusts, the rates of its professionals periodically.
Compensation Sought in this Application Already Paid Pursuant to a Monthly Compensation Order but not yet Allowed:	\$1,697,958.60
Expenses Sought in this Application Already Paid Pursuant to a Monthly Compensation Order but not yet Allowed:	\$22,876.18
Number of Professionals Included in this Application:	25
If Applicable, Number of Professionals in this Application not Included in Staffing Plan Approved by Client:	N/A
Number of Professionals Billing Fewer than 15 Hours to the Case During this Period:	5

This is a: ☐ monthly ☐ interim ☒ final application.

The total time expended for fee application preparation is approximately 15.0 hours and the corresponding compensation requested is approximately \$20,000.00.

### **PRIOR APPLICATIONS FILED**

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved/Paid Fees (80%)	Approved/Paid Expenses (100%)
2/3/25 Dkt. No. 900	11/1/25- 11/30/25	\$478,391.00	\$1,641.39	\$382,712.80	\$1,641.39
3/5/25 Dkt. No. 1056	12/1/24- 12/31/24	\$1,193,249.25	\$34,762.32	\$954,599.40	\$34,762.32
3/11/25 Dkt. No. 1078	1/1/25- 1/31/25	\$1,072,268.00	\$2,384.51	\$857,814.40	\$2,384.51
4/21/25 Dkt. No. 1295	2/1/25- 2/28/25	\$931,710.25	\$9,118.09	\$745,368.20	\$9,118.09
5/9/25 Dkt. No. 1442	3/1/25- 3/31/25	\$633,294.00	\$7,737.68	\$506,635.20	\$7,737.68
5/30/25 Dkt. No. 1586	4/4/25- 4/30/25	\$557,444.00	\$6,020.41	\$445,955.20	\$6,020.41

<sup>4</sup> This amount also includes a reduction in expenses pursuant to the Fee Examiner in the amount of \$1,000.

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved/Paid Fees (80%)	Approved/Paid Expenses (100%)
<b>Total Paid to Date</b>				<b>\$3,893,085.20</b>	<b>\$61,664.40</b>

**PSZJ PROFESSIONALS**  
(Period Covering 11/21/24 – 6/30/25)

Name of Professional Individual	Position of the Applicant, Year of Obtaining License to Practice	Hourly Billing Rate (including Changes)	Total Hours Billed	Total Compensation
Kornfeld, Alan J.	Partner, 1987	\$1,995.00	166.90	\$332,965.50
Kornfeld, Alan J.	Partner, 1987	\$1,825.00	41.80	\$76,285.00
Sandler, Bradford J.	Partner, 1996	\$1,895.00	218.70	\$414,436.50
Sandler, Bradford J.	Partner, 1996	\$1,725.00	147.10	\$253,747.50
Sandler, Bradford J. (Travel Rate)	Partner, 1996	\$862.50	7.00	\$6,037.50
Sandler, Bradford J.	Partner, 1996	\$947.50	9.00	\$8,527.50
Sandler, Bradford J.	Partner, 1996	\$0.00	0.30	\$0.00
Wallen, Ben L.	Partner, 2016	\$1,075.00	1.50	\$1,612.50
Wallen, Ben L.	Associate, 2016	\$975.00	11.30	\$11,017.50
Glazer, Gabriel I.	Partner, 2006	\$1,650.00	3.70	\$6,105.00
Glazer, Gabriel I.	Partner, 2006	\$1,495.00	37.30	\$55,763.50
Demo, Gregory V.	Partner, 2008	\$1,525.00	2.00	\$3,050.00
Demo, Gregory V.	Partner, 2008	\$1,395.00	46.00	\$64,170.00
Demo, Gregory V. (Travel Rate)	Partner, 2008	\$697.50	4.60	\$3,208.50
Nasatir, Iain A.W.	Partner, 1983	\$1,650.00	10.00	\$16,500.00
Nasatir, Iain A.W.	Partner, 1983	\$1,525.00	18.00	\$27,450.00
O'Neill, James E.	Partner, 2001	\$1,475.00	3.90	\$5,752.50
Walker, Jim W.	Partner, 1985	\$1,975.00	278.00	\$549,050.00
Walker, Jim W.	Partner, 1985	\$1,825.00	115.00	\$209,875.00
Litvak, Maxim B.	Partner, 1997	\$1,725.00	33.80	\$58,305.00
Litvak, Maxim B.	Partner, 1997	\$1,525.00	19.20	\$29,280.00
Labov, Paul J.	Partner, 2002	\$1,595.00	109.20	\$174,174.00
Labov, Paul J.	Partner, 2002	\$1,450.00	121.50	\$176,175.00
Labov, Paul J. (Travel Rate)	Partner, 2002	\$725.00	8.70	\$6,307.50
Labov, Paul J. (Travel Rate)	Partner, 2002	\$797.50	5.20	\$4,147.00
Feinstein, Robert J.	Partner, 1982	\$1,950.00	188.30	\$367,185.00
Feinstein, Robert J.	Partner, 1982	\$1,850.00	80.80	\$149,480.00

<b>Name of Professional Individual</b>	<b>Position of the Applicant, Year of Obtaining License to Practice</b>	<b>Hourly Billing Rate (including Changes)</b>	<b>Total Hours Billed</b>	<b>Total Compensation</b>
Feinstein, Robert J. (Travel Rate)	Partner, 1982	\$925.00	7.00	\$6,475.00
Feinstein, Robert J. (Travel Rate)	Partner, 1982	\$975.00	8.00	\$7,800.00
Cho, Shirley S.	Partner, 1997	\$1,525.00	44.70	\$68,167.50
Cho, Shirley S.	Partner, 1997	\$1,395.00	29.80	\$41,571.00
Cho, Shirley S.	Partner, 1997	\$0.00	0.40	\$0.00
Levine, Beth E.	Counsel, 1983	\$1,350.00	270.20	\$364,770.00
Levine, Beth E.	Counsel, 1983	\$1,225.00	92.30	\$113,067.50
Levine, Beth E. (Travel Rate)	Counsel, 1983	\$612.50	6.00	\$3,675.00
Robinson, Colin R.	Counsel, 1997	\$1,325.00	119.40	\$158,205.00
Robinson, Colin R.	Counsel, 1997	\$1,195.00	83.70	\$100,021.50
Robinson, Colin R.	Counsel, 1997	\$0.00	0.20	\$0.00
Brandt, Gina F.	Counsel, 1976	\$1,195.00	3.40	\$4,123.50
Kroop, Jordan A.	Counsel, 1995	\$1,625.00	76.70	\$124,637.50
Kim, Jonathan J.	Counsel, 1995	\$1,295.00	40.40	\$52,318.00
Kim, Jonathan J.	Counsel, 1995	\$1,425.00	43.20	\$61,560.00
Dine, Jeffrey M.	Counsel, 1996	\$1,495.00	17.10	\$25,564.50
Keane, Peter J.	Counsel, 2008	\$1,295.00	11.20	\$14,504.00
Seidl, Michael R.	Counsel, 2000	\$1,295.00	1.50	\$1,942.50
Flanagan, Tavi C.	Counsel, 1993	\$1,375.00	49.40	\$67,925.00
Corma, Edward A.	Associate, 2018	\$795.00	19.40	\$15,431.00
Wilson, Brooke E.	Associate, 2022	\$725.00	16.20	\$11,745.00
Winograd, Hayley R.	Associate, 2018	\$1,150.00	133.50	\$153,525.00
Winograd, Hayley R.	Associate, 2018	\$1,075.00	14.60	\$15,695.00
Heckel, Theodore S.	Associate, 2018	\$1,225.00	166.10	203,472.50
Heckel, Theodore S.	Associate, 2018	\$1,075.00	165.60	\$178,020.00
Heckel, Theodore S. (Travel Rate)	Associate, 2018	\$537.50	7.10	\$3,816.25
Heckel, Theodore S.	Associate, 2018	\$612.50	9.30	\$5,696.25
Bates, Andrea T.	Paralegal	\$650.00	163.10	\$106,015.00
Bates, Andrea T.	Paralegal	\$595.00	30.20	\$17,969.00
Bates, Andrea T.	Paralegal	\$0.00	0.80	\$0.00
LaBrada, Kerri	Paralegal	\$625.00	3.30	\$2,062.50
Dassa, Beth D.	Paralegal	\$595.00	0.30	\$178.50
Cuniff, Patricia E.	Paralegal	\$595.00	7.50	\$4,462.50
Cuniff, Patricia E.	Paralegal	\$625.00	11.50	\$7,187.50
Jeffries, Patricia J.	Paralegal	\$595.00	0.80	\$476.00

Name of Professional Individual	Position of the Applicant, Year of Obtaining License to Practice	Hourly Billing Rate (including Changes)	Total Hours Billed	Total Compensation
Jeffries, Patricia J.	Paralegal	\$650.00	1.00	\$650.00
Hall, Nathan J.	Paralegal	\$545.00	5.90	\$3,215.50
Hall, Nathan J.	Paralegal	\$595.00	0.60	\$357.00
Knotts, Cheryl A.	Paralegal	\$545.00	1.20	\$654.00
Knotts, Cheryl A.	Paralegal	\$575.00	1.90	\$1,092.50
Flores, Melissa N	Paralegal	\$625.00	0.20	\$125.00
Yee, Karina K	Paralegal	\$625.00	0.20	\$125.00
Forrester, Leslie A.	Library	\$675.00	2.10	\$1,417.50
Forrester, Leslie A.	Library	\$645.00	2.80	\$1,806.00
Paul, Andrea R.	Case Management Assistant	\$495.00	3.40	\$1,683.00
Paul, Andrea R.	Case Management Assistant	\$475.00	5.90	\$2,802.50
Bouzoukis, Charles J.	Case Management Assistant	\$495.00	20.40	\$10,098.00
Bouzoukis, Charles J.	Case Management Assistant	\$475.00	9.40	\$4,465.00
Arnold, Gary L.	Case Management Assistant	\$495.00	147.70	\$73,111.50
Arnold, Gary L.	Case Management Assistant	\$475.00	22.00	\$10,450.00
Janet Grayson	Case Management Assistant	\$0.00	0.30	\$0.00
<b>Subtotal</b>			<b>3567.70</b>	<b>\$5,064,739.50</b>
Less fee write off on First Interim Fee Application				(\$26,000.00)
Total Fees				\$5,058,739.50
Plus Fee Estimate				\$20,000.00
<b>Aggregate Fee Request</b>				<b>\$5,058,739.50</b>

**Total:** \$5,058,739.50  
**Total Hours:** 3,567.70  
**Blended Rate:** \$1,419.61

**COMPENSATION BY CATEGORY**

<b>Project Categories</b>	<b>Total Hours</b>	<b>Total Fees</b>
Asset Analysis and Recovery	0.70	\$1,016.50
Asset Disposition	140.00	\$205,885.50
Appeals	112.40	\$180,611.00
Bankruptcy Litigation	1,268.60	\$1,960,293.00
Case Administration	238.00	\$185,468.00
Claims Administration and Objections	22.60	\$36,625.00
PSZJ Compensation	79.70	\$71,262.00
Other Professional Compensation	61.70	\$77,056.00
Contract and Lease Matters	22.40	\$26,906.00
First/Second Day Matters	41.90	\$51,098.00
Financial Filings	2.50	\$4,422.50
Financing/Cash Collateral/Cash Management	178.80	\$246,092.50
General Creditors' Committee	58.60	\$87,822.50
Hearings	346.00	\$411,285.50
Insurance Coverage	23.60	\$35,959.50
Meetings of and Communications with Creditors	2.80	\$3,346.00
Litigation (Non-Bankruptcy)	4.60	\$8,550.00
Operations	35.20	\$53,435.00
Plan and Disclosure Statement	725.10	\$1,188,853.50
Relief From Stay	1.20	\$1,961.00
PSZJ Retention	29.00	\$29,139.50
Other Professional Retention	90.90	\$126,108.50
Stay Litigation	9.20	\$15,852.00
Travel	71.90	\$55,690.50
<b>Subtotal</b>	<b>3,567.40</b>	<b>\$5,064,739.50</b>
Less fee write off on First Interim Fee Application		(\$26,000.00)
Total Fees		\$5,038,739.50
Plus Fee Estimate		\$20,000.00
<b>Aggregate Fee Request</b>		<b>\$5,058,739.50</b>

**EXPENSE SUMMARY**

<b>Expense Category</b>	<b>Service Provider (if applicable)</b>	<b>Total Expenses</b>
Air Fare		\$2,526.40
Auto Travel Expense		\$4,933.60
Bloomberg		\$322.25
Working Meals		\$507.91
Delivery/Courier Service		\$390.00
Federal Express		\$329.42
Court Fees		\$550.00
Hotel Expense		\$2,231.86
Lexis/Nexis- Legal Research		\$4,154.40
Litigation Support Vendors		\$14,014.31
Pacer - Court Research		\$2,768.20
Postage		\$186.86
Reproduction Expense		\$11,066.10
Online Research		\$6,500.75
Transcript		\$19,253.49
<b>Subtotal</b>		<b>\$69,735.55</b>
Less expense write off in First Interim Fee Application		(\$1,000.00)
<b>Aggregate Expense Request</b>		<b>\$68,735.55</b>

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re

FRANCHISE GROUP, INC., *et al.*,<sup>1</sup>

Debtors.

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) Chapter 11  
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) Case No. 24-12480 (LSS)  
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) Jointly Administered  
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) **Objections Due: August 6, 2025 at 4:00 P.M. (ET)**  
) **Hearing Date: September 10, 2025 at 10:00 A.M. (ET)**  
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**SECOND INTERIM AND FINAL APPLICATION FOR  
COMPENSATION AND REIMBURSEMENT OF EXPENSES OF  
PACHULSKI STANG ZIEHL & JONES LLP, AS COUNSEL  
FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR  
THE PERIOD FROM NOVEMBER 21, 2024 THROUGH JUNE 30, 2025**

Pursuant to sections 330 and 331 of Title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (collectively, the “Bankruptcy Rules”) and the Court’s *Order Establishing Procedures for Interim Compensation and Reimbursement of Estate Professionals*, [Docket No. 353] (the “Administrative Order”) and the *Order Appointing Fee Examiner and Establishing Procedures for Consideration of Requested Fee Compensation and Reimbursement of Expenses* [Docket No. 747] (the “Fee Examiner Order”), Pachulski Stang Ziehl & Jones LLP (“PSZJ” or the “Firm”), counsel to the Official Committee of

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.



Unsecured Creditors (the “Committee”), hereby submits its *Second Interim and Final Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel to the Official Committee of Unsecured Creditors for the Period from November 21, 2024 through June 30, 2025* (the “Final Application”).

By this Final Application, PSZJ seeks a final allowance of compensation in the amount of \$5,058,739.50<sup>2</sup> and actual and necessary expenses in the amount of \$68,735.55<sup>3</sup> for a total allowance of \$5,127,475.05 and payment of the unpaid amount of such fees and expenses for the period November 21, 2024 through June 30, 2025 (the “Fee Period”). In support of this Final Application, PSZJ respectfully represents as follows:

### **Background**

1. On November 3, 2024 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware.

2. On November 19, 2024, the Office of the United States Trustee appointed the Committee in these cases pursuant to 11 U.S.C. § 1102 [Docket No. 157]. The members appointed to the Committee are (i) Nestle and its Subsidiaries, including Nestle Purina Petcare, Nestle USA, Garden of Life, Orgain, & Atrium; (ii) Solstice Sleep Company; (iii) Federal Warranty Service Corporation; (iv) NNN REIT, LP (fka National Retail Properties); and (v) Jennifer Walker, Individually and in her Capacity as Putative Class Representative.

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<sup>2</sup> Any time or expenses incurred after June 6, 2025 relates to preparation of this Final Fee Application or those of the Committee’s professionals and plan implementation. The amount requested also includes an estimated amount of \$20,000 for additional time and expenses incurred in connection with final fee applications after June 30, 2025. This amount also includes a reduction in fees pursuant to the Fee Examiner in the amount of \$26,000.

<sup>3</sup> This amount also includes a reduction in expenses pursuant to the Fee Examiner in the amount of \$1,000.

3. On November 21, 2024, the Committee selected PSZJ as counsel and Province, LLC (“Province”) as financial advisor.

4. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

5. On December 6, 2024, the Court entered the Administrative Order, authorizing estate professionals (“Professionals”) to submit applications for interim compensation and reimbursement for expenses, pursuant to the procedures specified therein. The Administrative Order provides, among other things, that a Professional may submit monthly fee applications. If no objections are made within twenty-one (21) days after service of the monthly fee application the Debtors are authorized to pay the Professional eighty percent (80%) of the requested fees and one hundred percent (100%) of the requested expenses. Beginning with the period November 3, 2024 through January 31, 2025, and at three-month intervals or such other intervals convenient to the Court, each of the Professionals may file and serve an interim application for allowance of the amounts sought in its monthly fee applications for that period. All fees and expenses paid are on an interim basis until final allowance by the Court.

6. On January 15, 2025, the Court entered the Fee Examiner Order to assist the Court in its determination of whether the Applications submitted by Professionals are compliant with the Bankruptcy Code, all applicable Bankruptcy Rules, the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware and the Administrative Order. The terms and conditions of the Administrative Order shall not be modified by the Fee Examiner Order, except that not later than three (3) business days after the filing of an Application, an Estate Retained Professional<sup>4</sup> shall send to the Fee Examiner via electronic mail

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<sup>4</sup> Capitalized terms used but not otherwise defined in this Application have the meaning given to such terms in the Fee Examiner Order.

such Application and any time entries and the expense detail filed therewith in Adobe Acrobat (pdf) format and searchable electronic format (in LEDES, or Excel, as specified by the Fee Examiner), as applicable Fee Detail. If any Estate Retained Professional cannot reasonably convert its Fee Detail to the electronic formats described above, the Fee Examiner and the Estate Retained Professionals shall cooperate in good faith to agree on an appropriate electronic format.

7. The retention of PSZJ, as counsel to the Committee, was approved effective as of November 21, 2024, by this Court's *Order Authorizing the Employment and Retention of Pachulski Stang Ziehl & Jones LLP as Counsel to the Official Committee of Unsecured Creditors Effective as of November 21, 2024* [Docket No. 854] (the "Retention Order"). The Retention Order authorized PSZJ to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

8. Attorneys retained pursuant to sections 327 or 1103 of the Bankruptcy Code must comply with certain requirements of the *United States Trustee's Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. §330 by Attorneys in Larger Chapter 11 Cases* (the "Revised UST Guidelines"). The Office of the United States Trustee has promulgated forms to aid in compliance with the Revised UST Guidelines. Charts and tables based on such forms are attached hereto as exhibits and filled out with data to the extent relevant to these cases: **Exhibit A**, Customary and Comparable Compensation Disclosures with Fee Applications; **Exhibit B**, Summary of Timekeepers Included in this Fee Application, **Exhibit C**, Staffing Plan; **Exhibit D-1**, Summary of Compensation Requested by Project Category; **Exhibit D-2**, Summary of Expense Reimbursement Requested by Category; and **Exhibit E**, Summary Cover Sheet of Fee Application.

**PSZJ's APPLICATION FOR COMPENSATION AND  
FOR REIMBURSEMENT OF EXPENSES**

**Compensation Paid and Its Source**

9. Pursuant to the Administrative Order, PSZJ filed and served its *First Interim Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel for the Official Committee of Unsecured Creditors for the Period From November 21, 2024 Through January 31, 2025* [Docket No. 1079] (the "First Interim Application") requesting \$2,743,908.25 in fees and \$38,788.22 in expenses. PSZJ received informal comments from the U.S. Trustee and reduced its fees by \$26,000 and reduced its expenses by \$1,000 for an aggregate fee request in the amount of \$2,717,908.25 and aggregate expenses in the amount of \$37,788.22. The interim order approving the First Interim Application is pending entry by the Court.

10. On April 21, 2025, PSZJ filed its *Fourth Monthly Fee Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel to the Official Committee of Unsecured Creditors, for the Period from February 1, 2025 through February 28, 2025* (the "Fourth Monthly Fee Application") requesting \$931,710.25 in fees and \$9,118.09 in expenses. On May 20, 2025, and May 21, 2025, PSZJ received payment of 80% of fees in the amount of \$745,368.20, and 100% of expenses in the amount of \$9,118.09. A true and correct copy of the time records covering the Fourth Monthly Fee Application is attached hereto as **Exhibit F-1**.

11. On May 9, 2025, PSZJ filed its *Fifth Monthly Fee Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel to the Official Committee of Unsecured Creditors, for the Period from March 1, 2025 Through March 31, 2025* (the "Fifth Monthly Fee Application") requesting \$633,294.00 in fees and \$7,737.68 in expenses.

On June 11, 2025, PSZJ received payment of 80% of fees in the amount of \$506,635.20, and 100% of expenses in the amount of \$7,737.68. A true and correct copy of the time records covering the Fifth Monthly Fee Application is attached hereto as **Exhibit F-2**.

12. On May 30, 2025, PSZJ filed its *Sixth Monthly Fee Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel to the Official Committee of Unsecured Creditors, for the Period from April 1, 2025 Through April 30, 2025* (the “**Sixth Monthly Fee Application**”) requesting \$557,444.00 in fees and \$6,020.41 in expenses. On June 27, 2025, PSZJ received payment of 80% of fees in the amount of \$445,955.20 and 100% of expenses in the amount of \$6,020.41. A true and correct copy of the time records covering the Sixth Monthly Fee Application is attached hereto as **Exhibit F-3**.

13. The Monthly Fee Applications covered by this Application contain detailed daily time logs describing the actual and necessary services provided by PSZJ during the periods covered by such applications as well as other detailed information required to be included in fee applications.

#### **Final Monthly Invoice**

14. The invoice for the period of May 1, 2025 through June 30, 2025 (the “**Final Monthly Period**”) is attached hereto as **Exhibit F-4**. This statement contains daily time logs describing the time spent by each attorney and paraprofessional during the Final Monthly Period. To the best of PSZJ’s knowledge, this Application complies with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules and the Administrative Order. PSZJ’s time reports are initially handwritten or directly entered in the billing system, by the attorney or paralegal performing the described services. The time reports are organized on a daily basis. PSZJ is particularly sensitive to issues of “lumping” and, unless time was spent in one time frame on a

variety of different matters for a particular client, separate time entries are set forth in the time reports. PSZJ's charges for its professional services are based upon the time, nature, extent and value of such services and the cost of comparable services other than in a case under the Bankruptcy Code. To the extent it is feasible, PSZJ professionals attempt to work during travel.

15. A summary of the actual and necessary expenses incurred by PSZJ for the Fee Period is attached hereto as part of **Exhibit F-4**. PSZJ customarily charges \$0.10 per page for photocopying expenses related to cases, such as this, arising in Delaware. PSZJ's photocopying machines automatically record the number of copies made when the person that is doing the copying enters the client's account number into a device attached to the photocopier. PSZJ summarizes each client's photocopying charges on a daily basis.

16. PSZJ charges \$0.25 per page for out-going facsimile transmissions. There is no additional charge for long distance telephone calls on faxes. The charge for outgoing facsimile transmissions reflects PSZJ's calculation of the actual costs incurred by PSZJ for the machines, supplies and extra labor expenses associated with sending telecopies and is reasonable in relation to the amount charged by outside vendors who provide similar services. PSZJ does not charge the Debtor for the receipt of faxes in this case.

17. With respect to providers of on-line legal research services (e.g., LEXIS and WESTLAW), PSZJ charges the standard usage rates these providers charge for computerized legal research. PSZJ bills its clients the actual amounts charged by such services, with no premium. Any volume discount received by PSZJ is passed on to the client.

18. PSZJ believes the foregoing rates are the market rates that the majority of law firms charge clients for such services. In addition, PSZJ believes that such charges are in accordance

with the American Bar Association's ("ABA") guidelines, as set forth in the ABA's Statement of Principles, dated January 12, 1995, regarding billing for disbursements and other charges.

**Summary of Services Rendered During the Final Monthly Period**

19. The names of the timekeepers of PSZJ who have rendered professional services in this case during the Final Monthly Period are set forth in the attached **Exhibit F-4**. PSZJ, by and through such persons, has prepared and assisted in the preparation of various motions and orders submitted to the Court for consideration, advised the Committee on a regular basis with respect to various matters in connection with the Debtors' cases, and performed all necessary professional services which are described and narrated in detail below.

**Summary of Services by Project Rendered During the Final Monthly Period**

20. The services rendered by PSZJ during the Final Monthly Period can be grouped into the categories set forth below. PSZJ attempted to place the services provided in the category that best relates to such services. However, because certain services may relate to one or more categories, services pertaining to one category may in fact be included in another category. These services performed, by categories, are generally described below, with a more detailed identification of the actual services provided set forth on the attached **Exhibit F-4**. Exhibit F-4 identifies the attorneys and paraprofessionals who rendered services relating to each category, along with the number of hours for each individual and the total compensation sought for each category.

**A. Asset Disposition**

21. During the Fee Period, the Firm reviewed responses to the sale motion, reviewed the Debtors' rejection motion, and corresponded with the Debtors' counsel regarding the sale motion and cure amounts.

Fees: \$887.50 Hours: 0.50

**B. Appeals**

22. During the Fee Period, the Firm reviewed the Appellants' reply brief.

Fees: \$397.50 Hours: 0.30

**C. Bankruptcy Litigation**

23. During the Fee Period, the Firm, (i) reviewed and finalized the Committee standing motion; (ii) corresponded with Debtors' counsel regarding the status of the standing motion; and (iii) reviewed and commented on White & Case's list of email custodians on discovery documents.

Fees: \$6,504.50 Hours: 5.00

**D. Case Administration**

24. During the Fee Period, the Firm, among other things, (i) reviewed correspondence and pleadings; (ii) maintained a calendar of critical dates and deadlines; (iii) discussed, reviewed, and followed up on various open case issues.

Fees: \$20,081.50 Hours: 37.10

**E. Claims Administration and Objections**

25. During the Fee Period, the Firm (i) reviewed rejection damages claims; (ii) reviewed the Debtors' request to allow a late filed claims and responded to same; (iii) corresponded with B. Shaw regarding Prophecy settlement; (iv) reviewed the Debtors' objections to claims; and (v) corresponded regarding claims and confirmation.

Fees: \$5,574.00 Hours: 3.40

**F. PSZJ Compensation**

26. During the Fee Period, the Firm (i) reviewed, drafted and filed March and April monthly fee applications; and (ii) drafted and filed a certification of no objection regarding



February and March monthly fee applications; and (iii) and spent time preparing the first interim fee order.

Fees: \$18,963.00                      Hours: 22.30

**G. Other Professional Compensation**

27. During the Fee Period, the Firm (i) reviewed Province and Perella Weinberg's first interim fee application and filed the same; (ii) drafted certifications of no objection for financial advisor and investment banker's monthly fee applications; and (iii) corresponded with the Fee Examiner regarding responses to initial report.

Fees: \$19,888.50                      Hours: 19.30

**H. Financing/Cash Collateral/Cash Management**

28. During the Fee Period, the Firm (i) reviewed and analyzed the fifth supplemental order regarding section 345(b) extension; (ii) reviewed plan hearing updates; (iii) drafted a stipulation extending the Committee's challenge period, filed and served same; and (iv) corresponded with the lenders' counsel regarding same.

Fees: \$3,581.50                      Hours: 2.20

**I. General Creditors' Committee**

29. During the Fee Period, the Firm, corresponded with the Committee and provided case updates.

Fees: \$1,023.00                      Hours: 0.60

**J. Hearings**

30. During the Fee Period, the Firm, among other things, (i) prepared hearing binders and other documents for the Vitamin Shop sale hearing and the confirmation hearing; and (ii) prepared for and attended hearings.

Fees: \$29,672.00 Hours: 41.10

**K. Operations**

31. During the Fee Period, the Firm reviewed the critical vendor payment schedule and corresponded with the Debtors regarding the 345(b) extension.

Fees: \$1,137.00 Hours: 0.60

**L. Plan and Disclosure Statement**

32. During the Fee Period, the Firm, (i) reviewed the Debtors' letter regarding confirmation scheduling; (ii) reviewed correspondence regarding the Litigation Trust Agreement; (iii) reviewed the plan supplement and related notice; (iv) reviewed several objections filed to the Debtors' confirmation order; (v) reviewed the Ninth Amended Plan and the ballot certification report; (vi) reviewed declarations in support of confirmation filed by the Debtors; (vii) reviewed the lenders' comments to the confirmation order and voting tabulation; (viii) reviewed plan discovery documents submitted by Kahn and objection filed to the confirmation order; (ix) reviewed witness and exhibit lists filed related to the confirmation hearing (x) attended all hands calls regarding confirmation hearing and litigation trust agreement; (xi) reviewed revisions to confirmation order; and (xii) reviewed the notice of effective date.

Fees: \$80,232.50 Hours: 44.90

**M. PSZJ Retention**

33. During the Fee Period the Firm (i) reviewed the parties in interest lists, (ii) drafted second supplemental declaration with additional disclosures, and (iii) drafted third and fourth supplemental declarations with additional disclosures.

Fees: \$8,168.00

Hours: 7.90

**N. Stay Litigation**

34. During the Fee Period the Firm (i) reviewed the Moody/Munoz stipulation lifting the automatic stay; and (ii) corresponded with counsel regarding same.

Fees: \$2,083.00

Hours: 1.40

**Requested Relief**

35. By this Final Application, PSZJ requests that the Court approve payment of one-hundred percent (100%) of the fees and expenses incurred by PSZJ during the Final Period covering November 24, 2024 through June 30, 2025.

36. At all relevant times, PSZJ has not represented any party having an interest adverse to these cases.

37. All services for which PSZJ requests compensation were performed for or on behalf of the Committee, and not on behalf of the Debtors, any other committee, creditor or other person.

38. PSZJ, and any partner, of counsel, or associate thereof, have received no payment and no promises for payment from any source other than from the Debtors for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Final Application. There is no agreement or understanding between PSZJ and any other person other than among the partners, of counsel, or associates of PSZJ for the sharing of compensation to be received for services rendered in these cases.

39. The professional services and related expenses for which PSZJ requests final allowance of compensation and reimbursement of expenses were rendered and incurred in connection with these cases in the discharge of PSZJ's professional responsibilities as attorneys for the Committee in these chapter 11 cases. PSZJ's services have been necessary and beneficial to the Committee, the Debtors and their estates, creditors and other parties in interest.

40. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by PSZJ is fair and reasonable given (a) the complexity of the case, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under the Bankruptcy Code. Moreover, PSZJ has reviewed the requirements of Del. Bankr. LR 2016-2 and the Administrative Order and believes that this Final Application complies with such Rule and Order.

**Statement from PSZJ**

41. Pursuant to the Appendix B Guidelines for Reviewing Application for Compensation and Reimbursement of Expenses Filed under the United States Code by Attorneys in Larger Chapter 11 Cases, PSZJ responds to the following questions regarding the Final Application:

Question	Yes	No	Additional Explanation or Clarification
Did you agree to any variations from, or alternatives to, your standard or customary billing rates, fees or terms for services pertaining to this engagement that were provided during the application period? If so, please explain.		No	
If the fees sought in this fee application as compared to the fees budgeted for the time period covered by this fee application higher by 10% or more, did you discuss the reasons for the variation with the client?		N/A	
Have any of the professionals included in this fee application varied their hourly rate based on the geographic location of the bankruptcy case?		No	
Does the fee application include time or fees related to reviewing or revising time records or preparing, reviewing, or revising invoices?	Yes		Approx. 15.0 hours were spent reviewing/revising invoices in connection with preparation of fee applications for a total of \$20,000.00 in fees.
Does this fee application include time or fees for reviewing time records to redact any privileged or other confidential information? If so, please quantify by hours and fees.	Yes		Approx. 2.0 hours were spent reviewing invoices for confidential/privileged matters for a total of \$2,700.00 in fees.
If the fee application includes any rate increases since retention in these Cases: i. Did your client review and approve those rate increases in advance? ii. Did your client agree when retaining the law firm to accept all future rate increases? If not, did you inform your client that they need not agree to modified rates or terms in order to have you continue the representation, consistent with ABA Formal Ethics Opinion 11-458?	Yes		As is customary, pursuant to its internal operating procedures, PSZJ revisits, and potentially adjusts, the rates of its professionals periodically.

WHEREFORE, PSZJ respectfully requests that, for the period November 20, 2024 through June 30, 2025, a final allowance be made to PSZJ for compensation in the amount of

\$5,058,739.50<sup>5</sup> and actual and necessary expenses in the amount of \$68,735.55<sup>6</sup> for a total allowance of \$5,104,882.22 and that the Debtors be authorized and directed to pay to PSZJ the outstanding amount of such sums; and for such other and further relief as may be just and proper.

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<sup>5</sup> Any time or expenses incurred after June 6, 2025 relates to preparation of this Final Fee Application or those of the Committee's professionals and plan implementation. The amount requested also includes an estimated amount of \$20,000 for additional time and expenses incurred in connection with final fee applications after June 30, 2025. This amount also includes a reduction in fees pursuant to the Fee Examiner in the amount of \$26,000.

<sup>6</sup> This amount also includes a reduction in expenses pursuant to the Fee Examiner in the amount of \$1,000.

Dated: July 16, 2025

Respectfully submitted,

**PACHULSKI STANG ZIEHL & JONES LLP**

/s/ Bradford J. Sandler

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-and-

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**DECLARATION**

STATE OF DELAWARE :  
:  
COUNTY OF NEW CASTLE :

Bradford J. Sandler, after being duly sworn according to law, deposes and says:

a) I am a partner with the applicant law firm Pachulski Stang Ziehl & Jones LLP, and am admitted to appear before this Court.

b) I am familiar with the legal services rendered by PSZJ as counsel to the Committee.

c) I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Del. Bankr. LR 2016-2, and the Administrative Order signed on or about December 6, 2024, and submit that the Application substantially complies with such rule and orders.

/s/ Bradford J. Sandler

Bradford J. Sandler